Spain's Economic Policy and Allied Victories

BY CHARLES M. PEPPER.

SPAIN is gradually becoming pro-ally. King Alfonso and the people always have been pro-ally, but there have been strong pro-German influences at the court and in the army. Commercial interests also have been pro-German.

There are several reasons for the change. The principal one is the military successes of the allies.

Spain is not so much exposed to German reprisals as are the Scandanavian countries, but she is not outside the sphere of Germany's vengeance in the event of the ultimate triumph of the Huns. When it seemed possible that German armies might reach the channel ports, take Paris and secure a negotiated peace which would affirm German victory, the pro-German party in Spain was in high feather. It had long since ceased to be apologetic. It was able to justify itself by claiming that open marks of friendship for Germany would be the best guarantee of Spain's position in the future.

Then came Gen. Foch's offensive, the wresting of the initiative from the Germans and the hammer strokes that have steadily followed. In consequence, the pro-German party in Spain is now on the defensive and is even apologetic, while the pro-ally elements are making their policy clearly known.

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Spain has had plenty of causes for declaring war against Germany. Her ships have been destroyed, her neutrality contemptuously flouted, her commerce harried and even her internal politics interfered with. The German propaganda in this respect was less insidious than in some other neutral countries because apparently there was no fear of being brought to book by open intrigues. Attempts were made to determine the course of political parties and by that means to dictate the policy of the government itself. The army element and the court faction made no secret of their plans.

Much of the time while this German movement has been going on the government of King Alfonso has been helpless. Internal political conditions threatened revolutions, as in Catalonia, which in peace periods are not taken very seriously, became very grave when nearly all of Europe was at war, and Spain was not entirely a free agent.

This uncertainty might have gone on indefinitely, with Germany continuing to use Spain as a wireless station and virtually as a base of military operations had not Gen. Foch's reversal of the military conditions come about. Now King Alfonso and the pro-ally supporters of his government cannot only breathe more freely, but can defy the court faction and the hostile military element in taking measures to vindicate, tardily as it is, Spain's sovereignty and to affirm her rights as a neutral nation.

The first step is to provide for the requisition of interned German tonnage equivalent to submarine sinkings. When the German submarines torpedoed the Spanish steamer bringing home the Spanish minister to Greece, after Berlin had been notified that the minister was a passenger, it would seem that the limit of tolerance had been reached, but all that the Madrid government dared do at the time was to make "energetic protest," which, of course, Berlin contemptuously brushed aside. At last a more resolute policy has been adopted, although advices from Berlin, by way of Switzerland, say that Germany refuses to accept the Spanish ultimatum regarding requisition of interned German tonnage equivalent to future submarine sinkings. If the government at Madrid keeps its spunk what Berlin accepts or refuses to accept will be of little moment.

The German ships in the harbors of Spain were interned in accordance with international law at the beginning of the war. Notwithstanding that Spain lost much of her own tonnage through the German submarines, these ships were allowed to remain idle. Their officers according to reports received, acted as if they were still the masters and the Spanish authorities their servants. They undoubtedly were encouraged in this arrogance by the pro-German military element in Spain, some of whose members not long ago went to the length of giving them a formal dinner. Figures are not available as to the quantity of tonnage which Spain acquires by making use of these German ships, but it is an appreciable factor in the present state of the Spanish mercantile marine.

While the victories of the allies have been the principal factor in enabling King Alfonso's government to show some grit in dealing with Germany, there have been other causes. One of these is undoubtedly a reflex influence from the Spaniards in South America. Some of these are in southern Brazil, close to the German settlements that were made sixty years ago. The greater part of them, however, on the east coast are in Uruguay and the Argentine Republic, and on the west coast in Chile.coast in Chile and Peru.

These Spaniards in South American countries are not subject to pro-German court influences. They are entirely outside the sphere of army sway in Spain. A small number of them are possibly in some degree controlled through German financial and commercial influences. There are a few conspicuous instances of this kind, but the German partisanship of these men is known to be solely due to their financial connections. They have no effect on the great body of their countrymen. The mass of the Spaniards in the South American countries reflect the sentiment of their environment, which is intensely anti-German.

This feeling is carried back to Spain by Spanish workers and by other persons who are in a position to know what the popular sentiment is. Back of it also is the resentment at the attempted German commercial dominance. The South American trade is very important to Spain, and the great mass of Spaniards in South America feel that this trade will be endangered should Germany acquire her old position. Their opinions have been conveyed with bluntness to Madrid that if Spain is to carry out an economic policy of her own after the war she must free herself entirely from German overlordship.

It is not unlikely that the discussion of an independent economic policy which some of the statesmen at Madrid are committed to is also one of the reflex influences that is strengthening King Alfonso's government in leading up to a pro-ally policy.

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There are two factors in Spain's economic future. One relates to her exports of raw materials and the other to the imports of foodstuffs and raw materials.

Spain has to import large quantities of cereals. The United States and Canada, India and the South American countries can supply all her food needs. Germany can supply none of them. That is one good reason why Spain must look to the allies for subsistence of her people.

Spain's principal industries are the textile ones. She needs in particular raw cotton. The United States supplies some of this cotton and India and Egypt the remainder. Germany cannot provide a pound.

Spain has no coal for industrial purposes. She also needs it for her shipping. Germany has coal for export, but in the peace times that are past natural conditions were against the importation of German coal. Some was obtained from England and some from the United States. These are the normal sources of supply in the future. Coal for shipping, and especially for the vessels in the South American trade, in the past was obtained from the British coaling stations. That is the only certain means of supply for the future.

There are various semi-manufactured products, as well as lesser raw materials, which Spain must have for her industries, and these can best be obtained in the economic sence from England or the United States. England furnishes the tin plate which is needed in the canning establishments. The United States provides phosphates, gasoline and lubricating oils, all of which are essential to industrial establishments.

When it comes to the export of Spain's raw materials, it is true that Germany affords a market both for the copper and the iron ore, but so does England, and the English market is more accessible. Moreover, if Spain is to develop an economic policy of her own this means that she will exploit her own raw materials by building up domestic industries. Notwithstanding her rich iron ore beds and her equally rich copper deposits, Spain has no great iron and steel industry, and no big electrical industry. These industries are to be developed in the future.

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Capital is the essential element for industrial enterprises. Spain has virtually no surplus capital of her own. She must look to other countries for it.

Germany, financially, is today bankrupt. She could do nothing for Spain after the war, except in a small way, and in order to sustain German-owned factories.

England, after the war, will have capital to invest abroad, as she always has had, but the United States will have more, and the tendency of our national policy, as one of the results of the war, will be to encourage foreign investments. American financial interests, when the great conflict broke out, were planning large investments in Spain to build railroads and to establish certain industries. These plans have not been abandoned. They have been merely held in abeyance.

American capital, in whatever light Spain's future is viewed, will be a valuable aid to the country. In carrying out a national economic policy, King Alfonso's government can look with some confidence to the United States for capital. That is another reason why the present pro-ally movement in Spain should be strengthened, and why the Madrid ministry should take a determined stand against Germany, even though such a course may lead to abandoning neutrality and becoming a belligerent.

PLAZA OF ARMS, MADRID.

Army and Navy News

THE office of the surgeon general of the Army is taking the keenest interest in the physical condition of Army fliers and aviation students in the camps. In this respect it is working in co-operation with the division of military aeronautics to keep the fliers in the pink of condition without letting them go stale. It is seeking to prevent accidents, but since it is certain that they will occur, it is now providing "ship hospitals" for aviation fields. The new style of hospital is an airplane fitted up with first-aid appliances, primary surgical instruments and all devices necessary for the immediate relief of an injured aviator. The machine body is so designed that an injured man may be placed at length on a stretcher for the purpose of transporting him comfortably to the base hospital. In the near future they will also be provided with tents, so that if it be imprudent to move the patient he can be fully protected until conditions for his removal are favorable. These "flying hospitals" bear the design of the Red Cross on their white bodies and carry all the insignia of the hospital.

It not infrequently happens that a flier is injured at a distance of ten miles or more from his base hospital. Hitherto the method of giving him aid has been to send a motor ambulance to him. This takes time, and in the event of serious injury the rough passage back to camp not only takes more time, but adds to the suffering of the patient. As every minute in cases of this sort is precious, it is easy to see the advantage that may come from the introduction of these "ship hospitals." The flight surgeon has complete control of these machines, and it is usually his duty in case of accident to fly to the injured man. The flight surgeon, under the regulations, must himself be able to do straight flying and make landings, although he has a pilot to handle the machine.

Military aeronautics has introduced this new ambulance service into the flying camps at Gersten, Ellington and Kelly fields, and will provide it for all other aviation fields in this country and also in places where recommended abroad. It is the avowed intention of the surgeon general's office to co-operate with military aeronautics in every possible way to maintain the health and in case of need give surgical aid in all aviation cases. Brig. Gen. Lyster, Medical Corps, who is at the head of this division, has taken the active part in this organization.

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COL. JOHN S. FAIR, chief of the remount service and head of the reclamation service of the Army, has accepted the detail to the command of a field artillery regiment, and has gone to Fort Sill, Okla., to join his command. As chief of the remount service he has provided the Army with all the animals that it has asked for, and has done so in the best spirit of co-operation with the allies. No branch of the service has asked for a horse or a mule and had to wait for its purchase by that division. It has provided all the harness and all animal-drawn vehicles for the Quartermaster Corps at the time that that corps has called upon him to have them ready, and at a cost which under present conditions must be regarded as reasonable. He was one of the two or three divisional chiefs in the Quartermaster Corps retained in office by Gen. Goethals when he entered that office. Gen. Goethals also named him to be chief of the division of reclamation and conservation of the Army, and in that capacity he has shown his mastery of the principles of economy on a grand scale in the way of waste prevention of Army supplies, some of the savings in such matters as the salvage of shoes and hats, fats and fertilizers being a revelation to most people.

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THE death of Maj. William R. Ream, flight surgeon, M. R. C., formerly of Omaha, Neb., was a sacrifice to his desire to be of service to the fliers of military aeronautics, both in the training processes and on the sterner fields of air contest over the enemy lines in France. Maj. Ream was among the very first to realize the supreme importance of caring for the nervous and mental welfare of the flying men of the Army. He had long been on duty in the flying field at San Diego and was in full sympathy with airmen, knowing their weak spots and having regard for their peculiarities and little prejudices. He recently had been on duty at Hazlehurst Field, Long Island, N. Y., where he was taking special instruction to fill the newly created position of flight surgeon, charged with the oversight of the physical condition of fliers, with a view of preventing unnecessary accidents due to a flier's going up when he is unfit.

At the time of the accident he was flying, although with a pilot, in a long practice flight with a group of flyers, to determine the effect of the living conditions upon the group, and his last informal report was to the effect that departure from a strict observance of training rules was noticeable in the flier's work on the following day.

Maj. Ream was not a novice himself as a flier. He had taken the full course of flying at San Diego and was entitled to his R. M. A. rating. There was some delay over the granting of the letters, but the papers had been straightened out and the rating would have been sent to him the day on which he was killed. A terrific windstorm overtook the flying group at Effingham, Ill., on August 23, and as the pilot took his machine to the ground in search of shelter it fell into a nose spin and buried itself in a cornfield, killing Maj. Ream almost instantly.

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THE hearings which led to the Senate subcommittee report on the state of Army military aeronautics, although startling to the public, brought no surprise to those who are familiar with what is going on in military circles. They had long realized that the former aircraft administration had been unequal to the creation of either aviation production or aviation organization. Those conclusions could easily have been deduced from the report made last spring by the Senate military affairs committee, although the gravity of the failure was not then generally realized by reason of the promises that the War Department made of prompt correction and its announcement that production was delayed and not collapsed. At that time little was said of defective military organization of aeronautics either in this country or with the expeditionary force, although, fortunately, the War Department did not overlook that condition. The truth of the Senate report, apparently confirmed by the Marshall report made soon thereafter to the President, was recognized in the prompt separation of military aeronautics from the Signal Corps as soon as the passage of the Overman law gave the President authority to make the transfer.

With that transfer comes the sharp line of demarcation which must be held constantly before any one seeking a fair view of the aeronautical situation in the United States Army.

The Secretary of War created a division of military aeronautics, placing at its head Maj. Gen. W. L. Kenly, and a bureau of aircraft production, with a civilian, John D. Ryan, at its head. The relation of these two divisions to each other is thus set forth in the hearing of Gen. Kenly:

"It became evident at first that with an independent head of production and an independent head of operations the success of our work would depend upon the closest sort of co-operation. To parallel each other we would have to be very, very close."

With this end in view, they soon agreed upon a course, which was that Gen. Kenly should tell Mr. Ryan what he wanted in the way of production, and then Ryan would produce it. Gen. Kenly would approve it or suggest modifications, and when finally both had approved it Ryan would put it in production and turn it over to Kenly for distribution. A lack of co-operation having sprung up between some of their engineering subordinates, the two chiefs combined their engineering sections and told them they had to work out their problems in a spirit of mutual helpfulness, and that was all there was to it. The result has been excellent, but the testing section was placed under the exclusive control of Gen. Kenly. The general staff approved of all these arrangements, which were reduced to writing.

In the course of the hearing Gen. Kenly spoke emphatically of the co-operation from Messrs. Ryan and Potter, but in answer to the chairman that the establishment of a cabinet department of aeronautics would be a wise thing to do. Apparently the faulty principle of dual control of the airplane service has been recognized since the subcommittee's report has pointed it out, for the Secretary of War has appointed Mr. Ryan assistant secretary of war in charge of aircraft production, but whether this will meet the situation presented by the subcommittee is a question still to be determined.

In the Army viewpoint the situation of the expeditionary force raises complications and offers difficulties which have contributed no small part of the confusion that has arisen in aeronautics. To quote again the language of Gen. Kenly (page 94 of the hearings): "If you could look over the dispatches I have received you would find a cable from overseas asks for one thing one day, and the next day countermands the order; and then the next day asks for it again, and a week later again countermands it. It is a jumble."

Facts that cannot be here detailed indicate that military aeronautics is receiving, testing and delivering machines, is producing and training fliers, has changed the system and to a great degree the personnel of its administrative section; it has introduced changes, reforms and improvements in aviation camps, productive of better selection of candidates, better discipline and greater safety for fliers. Gen. Kenly and Mr. Ryan had to make a new machine out of the wreckage of the old one, and they are not to be judged by past failures. They have made no misrepresentation of what they have done, and have made no promises of what they will do. Their difficulties must not be minimized. Lack of control of the European situation is confusing and involves tedious delays. Provision must be made for the needs of naval aeronautics. But the fact that these men are aware of the difficulties that confront them and are determined to overcome them, coupled with the fact that they have the support of Congress and the administration, gives better promise of ultimate success than any glittering statement they could make. They deserve—and it is believed that they have—the confidence of the American people.

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THE War Department has made an order designating Brig. Gen. Charles B. Drake of the general staff to organize the Motor Transport Corps, and the process has begun. It is generally understood that the functions of the new corps will include supervision and control of all motors for the Army, with the exception of special vehicles used by a particular corps, such as ambulances for the Medical Corps, certain tractors for the engineers and the like. Some officers held that the new corps should not be a part of the Quartermaster Corps or come under the direction of the division of purchase, supply, storage and traffic, but should be under the immediate direction of the division of operations of the general staff. They urge that this should be done on account of the tremendous growth of the corps and its close relations with the operations branch. In the meantime Gen. Drake is going ahead with his plans without giving out any intimation of their exact nature.

Gen. Drake has been identified with this branch of the Quartermaster Corps since some time before this country entered into hostilities back in the days when Col. Chauncey Baker was at the head of the transportation department, when the standardization of motor vehicles was little more than a possibility, and in those days Gen., then Maj., Drake was one of the leading spirits. Now Standardization is a fact and Gen. Drake has the opportunity of putting into effect the plans which he then helped to formulate. It is understood that Gen. Drake is making every effort to secure the most efficient officer material for his organization, calling back to the Army some of the able men who it had been supposed could hardly be expected to rejoin the service.

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THE bureau of navigation of the Navy has sent out a notice to enlisted men of the Navy, the coast guard and the naval reserve force of the establishment of an officers' material school for the Pay Corps at Princeton University through the co-operation of the trustees and faculty of that institution. The instruction staff will be composed of officers and men of the Navy and the naval reserve force. The capacity of the school is 500 students, a new class of 250 entering on the first of each month beginning September 1. Men who successfully pass the two months' course and are recommended by the commanding officer as a result of passing the prescribed examination will be reported to the bureau of navigation as eligible for commissions as paymasters, U. S. N. R. F., with the rank of ensign for the general service. Men who are not successful in passing the examination will revert to the ratings previously held by them.

It Wouldn't Do.

ROBERT W. CHAMBERS said at the Century Club in New York:

"The war has changed all things. We older writers are quite disorientated. We don't know how to write any more."

Mr. Chambers smiled ruefully.

"Imagine describing a girl's ear today," he said, "as shell-like!"